Executive Council

Annual Report
2006-2007

Alberta

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EXECUTIVE COUNCIL
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2006-2007

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 Ministries.

The annual report of the Government of Alberta released June 21, 2007 contains the Minister of Finance's accountability statement and the consolidated financial statements of the Province. The *Measuring Up* report released June 28, 2007 provides a comparison of the actual performance results to the desired results set out in the government's business plan.

This annual report of the Ministry of Executive Council contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry's business plan. This Ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2007, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 27, 2007 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed

Ed Stelmach
Premier

Message from the Minister

I'm pleased to offer Albertans this report on the activities of Executive Council for 2006-07. It includes operational highlights and financial information for Executive Council and the Public Affairs Bureau.

This was a year of great transition – and a new direction and plan for government. After I was sworn in as Alberta's 13th Premier in December, I issued mandate letters to my cabinet based on Albertans' priorities. These priorities are:

- govern with integrity and transparency;
- manage growth pressures;
- improve Albertans' quality of life;
- build a stronger Alberta; and
- provide safe and secure communities.

Our government is committed to act thoughtfully and decisively based on these priorities – to achieve a higher standard of living, greater opportunities and a better quality of life for all Albertans.

We have already made great progress. For example, we have moved forward with democratic reforms, including all party committees of the Legislature, and introduced legislation on a lobbyist registry, conflict of interest and greenhouse gas emissions. We have also established a task force to improve accountability and governance of government's agencies, boards and commissions.

I am pleased with our progress to date and look forward to a year that promises to be both challenging and rewarding as we continue to work hard to fulfill our commitment to Albertans and to honour the trust that Albertans have bestowed upon us.

Original signed

Ed Stelmach
Premier

Management's Responsibility for Reporting

The Ministry of Executive Council includes

- Executive Council/Office of the Premier and
- the Public Affairs Bureau.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Premier, Minister Responsible for Executive Council. Under the direction of the Minister Responsible, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Original signed

Ron Hicks
Deputy Minister, Executive Council

Entity Chart

Executive Council

Office of the Premier / Executive Council

Office of the Premier
- provides planning, communications and administrative support to the Premier's offices in Edmonton and Calgary

Deputy Minister's Office
- provides advice and support to the Premier on policy and organizational issues
- provides leadership to the Alberta Public Service

Cabinet Coordination Office
- provides organizational and administrative support and advice to Cabinet and its key committees

Policy Coordination Office
- delivers long-term strategic planning and policy coordination for government
- promotes cross ministry coordination in the implementation of strategic priorities

Protocol Office
- plans and coordinates international visits and provincial government ceremonial events
- manages Government House operations

Alberta Order of Excellence
- supports the Alberta Order of Excellence Council, which reviews public nominations and selects individuals to receive the province's highest honour

Office of the Lieutenant Governor
- provides planning, communications and administrative support to the Lieutenant Governor

(780) 427-2251
alberta.ca
www.premier.alberta.ca

Public Affairs Bureau

Strategic Communications
- helps government communicate with Albertans by assigning staff to communications branches across government
- plans, coordinates and executes cross-government communications activities
- coordinates government communications to and from Albertans during public emergencies

Internal Communications
- plans and coordinates government-wide internal communications

Internet Services
- manages the Government of Alberta website and coordinates cross government standards for all ministry websites

Marketing Services
- manages the Government of Alberta Corporate Identity
- provides advertising consultation and support to ministries, and coordinates corporate advertising

Information Technology and Media Services
- distributes government news releases
- provides media monitoring to ministries
- provides technical support for major government news conferences and announcements
- provides IT support to the ministry

Corporate Services
- manages human resources, finance, administrative, business planning/annual reports, records management and FOIP needs for the ministry

(780) 427-2754
www.publicaffairs.gov.ab.ca

Operational Overview

The Ministry of Executive Council includes the Office of the Premier/Executive Council, which provides organizational and administrative support and advice to Cabinet; delivers long-term strategic planning and policy coordination for government; plans and coordinates international visits and provincial government ceremonial events; and provides planning, communications and administrative support to Office of the Premier, the Office of the Lieutenant Governor and the Alberta Order of Excellence Council.

It also includes the Public Affairs Bureau, which helps government communicate with Albertans; develops communications for government's long-term strategic plans and priority initiatives; supports internal government communications; coordinates advertising and the corporate identity program; provides Albertans with two-way access to government through central communications and information resources; and ensures effective communications with Albertans during public emergencies.

2006-07 Key Activities

Office of the Premier/Executive Council

Democratic Reforms

As part of the government's priority to govern with integrity and transparency and commitment to democratic reform, staff in the Office of the Premier worked with parties of the Legislative Assembly to establish an all-party agreement on democratic reform initiatives for the spring and fall sittings of the Legislature. The agreement is focused on revitalizing the Legislative Assembly and highlighting its important role in democratic governance. As part of the agreement, four new party policy field committees were established; a fixed budget date was introduced; and other changes were made to the sitting schedule to help address work/life balance issues, allow MLAs more time in their constituencies and make participation in politics more attractive.

Board Governance Review

There are more than 130 agencies, boards and commissions in the province that manage over 50% of the government's expenditures. The Alberta government has established a task force to provide recommendations on how to improve the transparency, accountability and governance of its agencies, boards and commissions. A Board Governance Secretariat supports the activities of the task force.

The task force will develop an inventory of existing agencies, boards and commissions; consult with stakeholders; and develop a report and recommendations for consideration by government in the fall of 2007.

Policy Coordination Office

For 2006-07, the Policy Coordination Office:

- supported the annual strategic planning process through leadership on the Government of Alberta Environmental Scan and the identification of long-term strategic issues, and co-led the development of the three-year Government of Alberta business plan;
- provided support for the transition to the new government leadership;
- supported the identification and implementation of government priorities;
- supported decision-makers by working with departments to prepare policy proposals and by preparing briefing notes for Cabinet, Agenda and Priorities Committee and Cabinet Policy Committees;
- promoted a corporate, cross-ministry approach to policy development that is aligned with government priorities; and
- completed research to assess policy capacity within the Alberta Public Service and to provide recommendations to maintain and strengthen the public service's support of elected officials.

Protocol Office

In 2006-07, the Protocol Office coordinated 50 visits of international dignitaries to Alberta, including the Governor General of Canada, the United States Secretary of Energy and the President of Tanzania as well as other heads of states, foreign ministers, ambassadors and consuls general. The office also provided planning and advice for provincial government ceremonial events including the installation of the new Premier and Cabinet.

The Alberta Order of Excellence

In April 2006, the Alberta Order of Excellence Council unveiled remodelled members' galleries at the Northern and Southern Jubilee Auditoria in Edmonton and Calgary. The galleries, which feature wall-mounted photos and an interactive electronic kiosk, will better promote the order and the accomplishments of its members.

In the 2006-07 year, the Alberta Order of Excellence also invested a record nine individuals in a ceremony in Edmonton on October 19.

Public Affairs Bureau

The Public Affairs Bureau places great importance on ensuring Albertans have access to government information and opportunities to provide feedback. Staff developed a strategic communications plan to enhance the quality of government communications and provide Albertans with improved avenues to access information and give their input. A redesigned government website has made it easier for Albertans to find information online, including enhanced accessibility features for people with visual and motor impairments. A new regular Report to Albertans offers updates on government progress on projects and priorities and gives additional opportunities for feedback. A communications policy was also developed to clearly define for Albertans what they can expect in terms of communicating with their government.

Bureau staff provided communications support for a variety of public consultations on government initiatives, including: secondary housing suites, land use, affordable housing, workforce development and education, climate change and oil sands development.

Communications branches also supported programs and initiatives that support all five of the government's priorities. This includes increasing awareness through media relations and advertising for programs like the province's plan to respond to West Nile Virus, traffic safety campaigns and environmental education.

Bureau staff assisted with ongoing government communications in a number of ways, including the Alberta Connects e-mail service, which responded to more than 20,000 e-mails in 2006-07. Staff also developed and implemented a new process for news release distribution to streamline and coordinate government communications.

Two websites were launched to educate children and their parents about keeping safe online. The peer-to-peer website *weron2u.ca* has received more than 350,000 visits since it was launched in May 2006, and *badguypatrol.ca* has received more than 207,000 visits since its launch.

To help Albertans get the information they need to assist people affected by family violence, a toll-free information line, redesigned website and advertising campaign were launched. The website *familyviolence.gov.ab.ca* has received close to 200,000 visits and more than 600 people have called the information line. In addition, communications staff helped launch a new 24-hour toll-free helpline to help young people who are struggling with bullying.

Communications staff helped coordinate promotion of Alberta's participation at the Smithsonian Folklife Festival in Washington, D.C. and Alberta Week in Washington. Staff also provided communications support for 54 international visits, including U.S. Energy Secretary Bodman and for the Premier's mission to France and Ukraine in 2006. Staff also played a key role in the planning and development of communications on the new Trade, Investment and Labour Mobility Agreement between the Government of Alberta and the Government of British Columbia.

To achieve higher productivity and improved service to Albertans, communications staff have developed an internal communications plan to keep employees informed on government policies and directions.

Staff also provided communications support for government emergency planning, including the creation of the new Alberta Emergency Management Agency and the Alberta Support and Emergency Response Team (ASERT), which serves as a centre of excellence in environmental emergency response and planning in Alberta.

Message from the Deputy Minister

There were significant changes to the Government of Alberta in 2006-07, including a new Premier; government committee system and membership; departmental organizational structure as well as many new priorities and initiatives. Throughout these changes, the department of Executive Council played several key roles in assisting with the government transition. Executive Council staff provided the new Premier with advice on a number of the changes and assisted in their implementation. Staff also worked with all ministries to prepare and coordinate policy proposals that ensured decision makers had the best possible information upon which to make decisions and to facilitate cross-ministry collaboration.

Executive Council supported the Board Governance Task Force, which was established to provide recommendations to improve the transparency, accountability and governance of the government's agencies, boards and commissions. The task force is part of the Premier's priority to govern with integrity and transparency.

Executive Council played a leading role in ensuring that Albertans received clear, consistent and timely communications about government programs and services. Albertans were also made aware of how they could provide input on issues of importance to them. This year's initiatives included the development of a strategic communications plan and policy, and a redesign of the government website. Executive Council also led the development of an internal communications plan to ensure employees are informed about government policies and directions.

This ministry has continued to champion initiatives that position the Alberta Public Service as an employer of choice. Through a variety of initiatives, including increased learning and development opportunities for all staff and the implementation of our shared values of respect, accountability, integrity and excellence, the Alberta Public Service is proudly working together to build a stronger province for current and future generations.

I would like to thank Executive Council staff for another year of hard work and many accomplishments. I am extremely proud of the dedication and commitment to excellence that is clearly demonstrated in the department of Executive Council and throughout the public service.

Original signed

Ron Hicks
Deputy Minister, Executive Council

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Executive Council's 2006–2007 Annual Report.* My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Completeness

1. Performance measures and targets matched those included in Budget 2006. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and Understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Original signed by Fred J. Dunn in the printed version

Auditor General

Edmonton, Alberta
July 25, 2007

Ministry Expense by Core Business and Function

	2006-07 Budget ($000)	2006-07 Actual ($000)	2005-06 Actual ($000)
Core Business			
Support strategic planning, policy development and decision-making for the Government of Alberta	7,602	7,929	6,359
Help government ministries communicate with Albertans	14,040	13,612	12,028
Total Expense by Function - General Government	**21,642**	**21,541**	**18,387**

Results Discussion and Analysis

2006-07 spending for Executive Council was within budgeted levels. The figures reported above have been restated to reflect the transfer of Corporate Internal Audit Services (CIAS) from Executive Council to the newly formed Treasury Board ministry that took place in December 2006 as part of the reorganization of government.

The reorganization also made it necessary for Executive Council to redefine its core businesses.

- Core Business One, which previously described the role of CIAS was changed to –"Support strategic planning, policy development and decision-making for the Government of Alberta" to reflect the role the Ministry plays in ensuring consistency with the overall government strategic direction.
- Core Businesses Two and Three related to the Public Affairs Bureau's role were consolidated into a single descriptor – "Help government ministries communicate with Albertans."

A new goal linked to the redefined core business one was added– "Government policy and planning are coordinated and effective." As well, the Public Affairs Bureau's two goals - "Public satisfaction with government communications in priority areas" and "Public satisfaction with access to government information" - were combined and restated as "Public satisfaction with government communications."

In prior years, the results for the measures related to public satisfaction with government information were reported separately. For 2006-07, the questions asked remained the same; however, the results have been combined and reported as "Public satisfaction with government communications." This adjustment better reflects the amalgamated goals resulting from the changes after the government reorganization.

The result for the measure rating public satisfaction with government communications increased by 2% but remains below the target. Although the target is very aggressive for this type of measure, work will continue to ensure that Albertans are able to access the information they need from government.

User satisfaction with the government homepage remains at last year's level and within 2% of the target. The number of respondents in the public survey who indicated that they had visited the Government of Alberta site increased slightly over the previous year from 61% to 62%. A recently completed website redesign and work that's underway to implement a more consistent look and feel to government websites will make it easier for users to get the information they need.

Changes were made to the government client survey.

- Questions related to the Service Alberta Call Centre and telephone directories were removed as that area transferred to Service Alberta on April 1, 2006.
- The question related to news release distribution was removed as communications branch staff are the major contact point for that service.
- New questions were added to address the increased focus on strategic communications and the added responsibility for government-wide internal communications.

The satisfaction level of government clients dropped slightly from the rating of 91% last year to 88% in 2006-07. The response rate from clients was also 5% lower than the prior year. A number of staff in communications branches were reassigned in December and January as part of the government-wide reorganization and were working with new clients.

Performance Measures

GOAL 1

Government policy and planning are coordinated and effective

Linked to Core Business 1 - Support strategic planning, policy development and decision making for the Government of Alberta

A measure for this goal is currently under development.

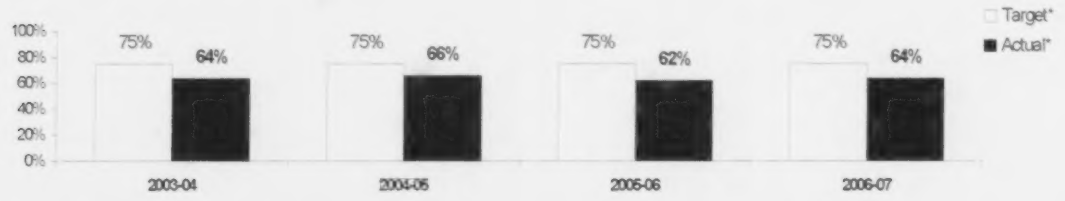
GOAL 2

Albertans receive clear, consistent and timely communications about government programs and have convenient access to the government information they need

Linked to Core Business 2 – Help government ministries communicate with Albertans

Public Satisfaction with Government Communications

This measure rates Albertans' satisfaction with information they receive directly from government about programs and services.

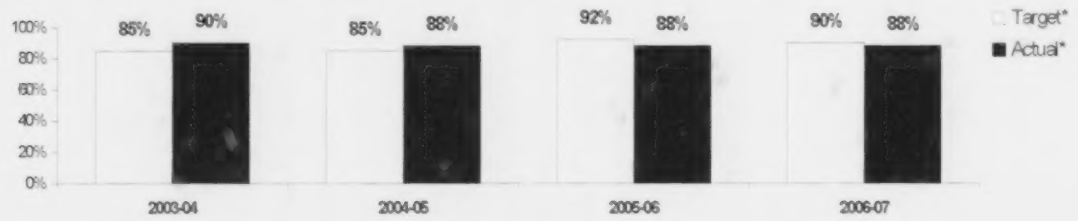


(*Represents the total of "very" and "somewhat" satisfied responses) Source: Ipsos Reid

2006-07 results reflect telephone interviews with 800 adult Albertans conducted from May 14 to 20, 2007. Respondents were randomly selected from across the province. A sample of this size within the given population produces results that are reliable to within plus or minus 3.46% 19 times out of 20. Respondents were asked to choose from very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied. Figures shown reflect the averaged results of multiple questions. "No response" replies are not included in the calculation of results.

User Satisfaction with the Alberta Government Home Page

This measure tracks users' satisfaction with the Alberta government home page by asking how useful they find the page in helping them locate the information they need. As the main portal to the Alberta government website, the home page offers access to government news as well as to information from ministries across government.

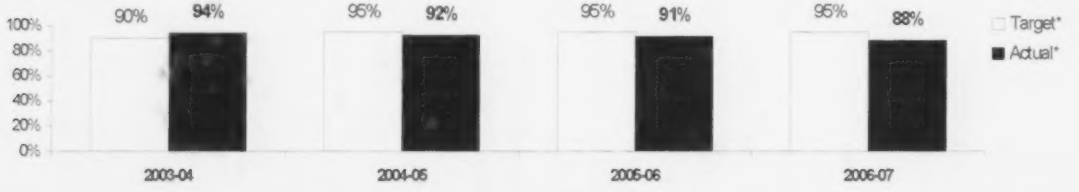


(*Represents the total of "very" and "somewhat" useful responses) Source: Ipsos Reid

2006-07 results reflect telephone interviews with 800 adult Albertans conducted from May 14 to 20, 2007. Respondents were randomly selected from across the province. A sample of this size within the given population produces results that are reliable to within plus or minus 3.46% 19 times out of 20. Respondents were first asked whether they had visited the Alberta government website at gov.ab.ca. Those who answered "Yes" were then asked how useful they found the first page in helping them to locate the information they needed by choosing from very useful, somewhat useful, not very useful or not at all useful. No response replies are not included in the calculation of results.

Government Client Satisfaction

This measure rates government client satisfaction levels with communications services provided by the Public Affairs Bureau.

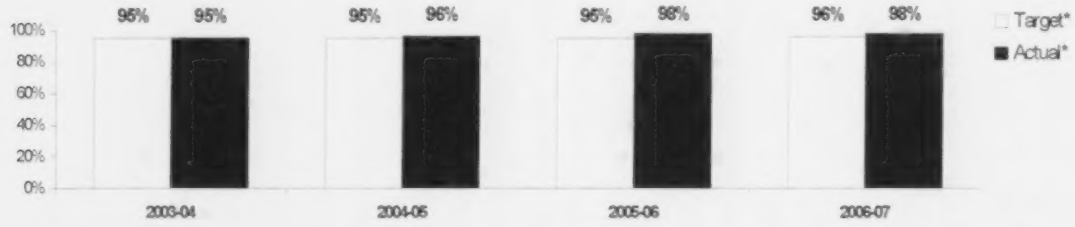


(*Represents the total of "very" and "generally" satisfied responses)

Communications directors compiled lists of 820 departmental clients who were contacted via e-mail and provided with a link to a web address that allowed them to complete their surveys online. The survey was conducted from May 14 to June 14, 2007. Responses were received from 372 clients. The survey results were compiled internally by the Public Affairs Bureau. Respondents were asked to choose from very satisfied, generally satisfied, generally dissatisfied or very dissatisfied. Figures shown reflect the averaged results of multiple questions.

Alberta Connects Efficiency

This measure tracks the percentage of Alberta Connects e-mail questions answered within the target response time of 72 hours. Alberta Connects is an e-mail service that allows Albertans to ask questions about any Alberta government program or service.



(*Represents % of questions receiving responses within 72 hours)

Results reflect the total percentage of Alberta Connects questions answered within 72 hours between April 1, 2006 and March 31, 2007. Results are compiled from a database that records the length of time required to answer each question received.

MINISTRY OF EXECUTIVE COUNCIL

Financial Statements

March 31, 2007

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Expenses Directly Incurred Detailed By Object

Schedule 2 - Budget

Schedule 3 - Comparison of Expenses – Directly Incurred and Statutory Expenses By Element to Authorized Budget

Schedule 4 - Salary and Benefits Disclosure

Schedule 5 - Related Party Transactions

Schedule 6 - Allocated Costs – Expenses Incurred By Others And Valuation Adjustments

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Executive Council as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Executive Council as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn in the printed version

Auditor General

Edmonton, Alberta
May 18, 2007

MINISTRY OF EXECUTIVE COUNCIL

Statement of Operations

Year ended March 31, 2007

(in thousands)

	2007 Budget (Schedule 3)	2007 Actual	2006 Actual (Restated)
Revenues			
Internal Government Transfers	$ -	$ -	$ -
Transfers from the Government of Canada	-	-	-
Premiums, Fees and Licences	-	-	-
Other Revenue	-	153	45
	-	153	45
Expenses - Directly Incurred (Note 2b and Schedule 6)			
Voted (Schedules 1, 3)			
Office of the Premier/Executive Council	7,602	7,929	5,712
Public Affairs	14,040	13,612	12,730
	21,642	21,541	18,442
Statutory (Schedules 2 and 4)			
Valuation Adjustments			
Provision (Decrease) for Vacation Pay	-	149	325
	21,642	21,690	18,767
Net Operating Results	$ (21,642)	$ (21,537)	$ (18,722)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF EXECUTIVE COUNCIL

Statement of Financial Position

March 31, 2007

	(in thousands) 2007	2006 (Restated)
ASSETS		
Cash	$ 40	$ 38
Accounts Receivable	65	12
Advances	3	5
	$ 108	$ 55
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 3,759	$ 3,135
	3,759	3,135
NET LIABILITIES		
Net Liabilities at Beginning of Year, As Restated (Note 3)	(3,080)	(2,957)
Net Operating Results	$ (21,537)	(18,722)
Net Transfer (to) from General Revenues	20,966	18,599
Net Liabilities at End of Year	(3,651)	(3,080)
	$ 108	$ 55

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF EXECUTIVE COUNCIL

Statement of Cash Flow

Year Ended March 31, 2007

	(in thousands) 2007	2006 (Restated)
Operating Transactions		
Net Operating Results	$ (21,537)	$ (18,722)
Non-cash Items included in Net Operating Results		
Valuation Adjustments	149	325
	(21,388)	(18,397)
Decrease (Increase) in Accounts Receivable and Advances	(51)	10
(Decrease) Increase in Accounts Payable and Accrued Liabilities	475	(190)
Cash applied to Operating Transactions	(20,964)	(18,577)
Financing Transactions		
Net Transfer from General Revenues	20,966	18,599
Increase (Decrease) in Cash	2	22
Cash, Beginning of Year	38	16
Cash, End of Year	$ 40	$ 38

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

Year ended March 31, 2007

NOTE 1 AUTHORITY

The Ministry of Executive Council operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The reporting entity is the Ministry of Executive Council. This entity consists of the activities of the Office of the Premier/Executive Council and Public Affairs.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer (to) from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- pension costs which comprise the cost of employer contributions for current service of employees during the year; and

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 6.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000. All land is capitalized. The Ministry has no tangible capital assets that meet these thresholds.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities
Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3 PROGRAM TRANSER
(in thousands)

The responsibility for the administration of Corporate Internal Audit Services is transferred to the President of the Treasury Board effective April 1, 2006, as per Order-in-Council 647/2006.

The responsibility for the administration of Queen's Printer is transferred to the Minister of Service Alberta effective April 1, 2006 as per Order-in-Council 122/2006. Also, the responsibility for the administration of the Service Alberta Call Centre is transferred to Service Alberta.

The comparatives have been restated to reflect as if the Ministry of Executive Council has always existed without the Corporate Internal Audit Services, Queen's Printer and Service Alberta Call Centre on April 1, 2006 and throughout the period covered by these financial statements. This resulted in a decrease in expenses of $6,636 for the period ended March 31, 2006.

Net expenses as previously reported	$25,077
Transfer to Treasury Board (Corporate Internal Audit)	(2,097)
Transfer to various Departments (regional audit positions)	(1,935)
Transfer to Service Alberta (Queen's Printer)	(1,485)
Transfer to Service Alberta (Call Centre)	(1,118)
Net expenses (restated) at March 31, 2006	$18,442

NOTE 4 CONTRACTUAL OBLIGATIONS
(in thousands)

	2007	2006 (Restated)
Service contracts	$ 0	$ 79

NOTE 5 DEFINED BENEFIT PLANS
(in thousands)

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of $1,837 for the year ended March 31, 2007 (2006 - $1,730).

At December 31, 2006, the Management Employees Pension Plan reported a deficiency of $6,765 (2005 - $165,895) and the Public Service Pension Plan reported a surplus of $153,024 (2005 – deficiency of $187,704). At December 31, 2006, the Supplementary Retirement Plan for Public Service Managers had a surplus of $3,698 (2005 - $10,018).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2007, the Bargaining Unit Plan reported an actuarial surplus of $153 (2006 – actuarial deficiency of $8,699) and the Management, Opted Out and Excluded Plan an actuarial surplus of $10,148 (2006 - $8,309). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 6 COMPARATIVE FIGURES

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

NOTE 7 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF EXECUTIVE COUNCIL

Schedule to the Financial Statements

Expenses - Directly Incurred Detailed by Object

Schedule 1

Year ended March 31, 2007

(in thousands)

	2007 Budget	2007 Actual	2006 Actual (Restated)
Voted			
Salaries, Wages and Employee Benefits	$ 17,824	$ 17,941	$ 15,934
Supplies and Services	3,677	3,457	2,304
Supplies and Services from Support Service Arrangements with Related Parties (a)	-	-	30
Grants	-	-	-
Financial Transactions and Other	141	143	174
Amortization of Capital Assets	-	-	-
	$ 21,642	$ 21,541	$ 18,442
Statutory			
Valuation adjustments			
Provision (Decrease) for Vacation Pay	$ -	$ 149	$ 325

(a) The Ministry receives financial, administrative and human resource services from the Department of Service Alberta.

MINISTRY OF EXECUTIVE COUNCIL

Schedule to the Financial Statements

Budget

Schedule 2

Year ended March 31, 2007

	(in thousands)		
	2006-2007 Estimates	Authorized Supplementary	2006-2007 Authorized Budget
Revenues:			
Fees, Permits and Licenses	$ -	$ -	$ -
Other Revenue	-	-	-
	-	-	-
Expenses:			
Voted Expenses			
Office of the Premier/Executive Council	7,602	-	7,602
Public Affairs	14,040	-	14,040
	21,642	-	21,642
Statutory Expenses			
Valuation Adjustments			
Provision for Vacation Pay	-	-	-
Total Expenses	21,642	-	21,642
Net Operating Results	$ (21,642)	$ -	$ (21,642)

MINISTRY OF EXECUTIVE COUNCIL

Schedule to the Financial Statements

Comparison of Expenses - Directly Incurred and Statutory Expenses by Element to Authorized Budget

Schedule 3

Year ended March 31, 2007

(in thousands)

	2006-2007 Estimates	Authorized Supplementary	2006-2007 Authorized Budget	2006-2007 Actual Expense (a)	Unexpended (Over Expended)
Voted Expense					
Office of the Premier Executive Council					
1.0.1 Office of the Premier Executive Council	$ 7,172	$ -	$ 7,172	$ 7,538	$ (366)
1.0.2 Office of the Lieutenant Governor	430	-	430	391	39
	7,602	-	7,602	7,929	(327)
Public Affairs					
2.0.1 Support Services	1,575	-	1,575	1,684	(109)
2.0.2 Communication Services	9,138	-	9,138	8,993	145
2.0.3 Communications Resources	3,327	-	3,327	2,935	392
	14,040	-	14,040	13,612	428
Total Voted Expenses	$ 21,642	$ -	$ 21,642	$ 21,541	$ 101
Statutory Expenses					
Valuation Adjustments	-	-	-	149	(149)
	$ -	$ -	$ -	$ 149	$ (149)

(a) Includes achievement bonus of $1,175

MINISTRY OF EXECUTIVE COUNCIL

Schedule to the Financial Statements

Salary and Benefits Disclosure

Schedule 4

Year ended March 31, 2007

	2007				2006
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Senior Officials					
Deputy Minister (4)	$257,496	$ 90,100	$ 54,309	$401,905	$376,709
Chief of Staff (4) (5)	206,000	73,614	45,114	324,728	254,486
Deputy Secretary to Cabinet (4) (5)	166,075	46,370	37,456	249,901	228,842
Executive Director, Southern Alberta Office (4) (5)	125,455	24,087	30,257	179,799	167,322
Director of Communications (5)	143,585	85,913	37,746	267,244	151,361
Deputy Chief, Policy Coordination (4) (6)	107,512	33,300	24,450	165,262	-
Managing Director, Public Affairs Bureau (4)	133,688	28,300	39,745	201,733	190,132
Executives					
Office of the Premier/Executive Council:					
Deputy Chief of Staff (7)	60,990	-	13,746	74,736	169,597
Chief of Protocol	116,484	11,600	29,335	157,419	147,291
Public Affairs:					
Executive Director, Communications Support Services	109,464	16,600	28,153	154,217	176,321
Executive Director, Strategic Communications - Social	130,440	19,600	30,746	180,786	163,888
Executive Director, Strategic Communications - Economic (8)	71,638	10,620	17,690	99,948	-
Executive Director, Corporate Services (9)	128,568	28,026	10,680	167,274	179,013

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include the government's share of all employee benefits and contribution or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) The position was occupied by two individuals during the year.

(6) New position, occupied from August 1, 2006 to March 31, 2007.

(7) Position occupied from April 1 to September 30, 2006.

(8) New position, occupied from August 24, 2006 to March 31, 2007.

(9) Position title changed from prior year.

Schedule to the Financial Statements

Related Party Transactions

Schedule 5

Year ended March 31, 2007
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2007	**2006** (Restated)
Expenses directly incurred		
Other Services	$ 321	$ 113
Receivable from Other Government Departments	$ 6	$ 8

Administrative costs for 2006 have been restated as if the Ministry had always been assigned with its current responsibilities. The costs for certain administrative functions are now the responsibility of the Department of Service Alberta for which no consideration was exchanged.
The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 6.

	Other Entities	
	2007	**2006** (Restated)
Expenses - Incurred by Others		
Accommodation	$ 369	$ 460
Executive Vehicles	2	7
Legal	33	74
Internal Audit Services	11	-
Service Alberta	336	-
Air Transportation	695	815
	$ 1,446	$ 1,356

Schedule to Financial Statements

Allocated Costs - Expenses incurred by Others and Valuation Adjustments

Schedule 6

Year Ended March 31, 2007
(in thousands)

	2007									2006 (Restated)
		Expenses incurred by Others						Valuation Adjustments		
	Expenses[1]	Accomodation Costs	Executive Vehicles	Legal Services	Internal Audit Services	Service Alberta	Air Transportation	Vacation Pay	Banked Overtime	Total Expenses	Total Expenses
Office of the Premier Executive Council	$ 7,929	$ 50	$ 2	$ 28	$ 11	-	$ 695	$ 43	$ -	$ 8,758	$ 6,901
Public Affairs Bureau	13,612	319	-	5	-	336	-	109	(3)	14,378	13,222
	$ 21,541	$ 369	$ 2	$ 33	$ 11	$ 336	$ 695	$ 152	$ (3)	$ 23,136	$ 20,123

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

ALPHABETICAL LISTING

Entities' Financial Statements in Ministry 2006-07 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Access to the Future Fund[1]	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Food
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund[2]	Finance
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Tourism, Parks, Recreation and Culture
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Tourism, Parks, Recreation and Culture
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation[3]	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Municipal Affairs and Housing
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks, Recreation and Culture
Alberta Treasury Branches	Finance
ATB Insurance Advisors Inc[4]	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology
Credit Union Deposit Guarantee Corporation	Finance

[1] Established July 10, 2005.

[2] Proclaimed May 31, 2006.

[3] Incorporated December 16, 2005.

[4] Incorporated July 12, 2006.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Colleges:	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge Community College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Food	Agriculture and Food
Department of Children's Services	Children's Services
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Health and Wellness	Health and Wellness
Department of Municipal Affairs and Housing	Municipal Affairs and Housing
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Tourism, Parks, Recreation and Culture
Historic Resources Fund	Tourism, Parks, Recreation and Culture
Human Rights, Citizenship and Multiculturalism Education Fund	Tourism, Parks, Recreation and Culture
iCORE Inc.	Advanced Education and Technology
Lottery Fund	Solicitor General and Public Security
Ministry of Advanced Education and Technology	Advanced Education and Technology
Ministry of Agriculture and Food	Agriculture and Food
Ministry of Children's Services	Children's Services
Ministry of Education	Education
Ministry of Employment, Immigration and Industry[5]	Employment, Immigration and Industry
Ministry of Energy	Energy
Ministry of Environment[5]	Environment
Ministry of Executive Council[5]	Executive Council
Ministry of Finance	Finance
Ministry of Health and Wellness	Health and Wellness
Ministry of Infrastructure and Transportation[5]	Infrastructure and Transportation
Ministry of International, Intergovernmental and Aboriginal Relations[5]	International, Intergovernmental and Aboriginal Relations
Ministry of Justice[5]	Justice
Ministry of Municipal Affairs and Housing	Municipal Affairs and Housing
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta[5]	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security

[5] Ministry includes only the departments so separate departmental financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Ministry of the Treasury Board [5]	Treasury Board
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board [6]	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Regional Health Authorities and Provincial Health Boards:	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	
Health Quality Council of Alberta [7]	
Northern Lights Health Region	
Peace Country Health	
Palliser Health Region	
Safety Codes Council	Municipal Affairs and Housing
School Boards and Charter Schools:	Education
Almadina School Society	
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
CAPE-Centre for Academic and Personal Excellence Institute	
Chinook's Edge School Division No. 73	
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	

[5] Ministry includes only the departments so separate departmental financial statements are not necessary.

[6] Ceased operations June 30, 2006.

[7] Established July 1, 2006.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	
Foothills School Division No. 38	
Fort McMurray Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	
Lethbridge School District No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	
Medicine Hat School District No. 76	
Moberly Hall School Society	
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School Division No. 70	
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	
Westwind School Division No. 74	
Wetaskiwin Regional Division No. 11	

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance
Technical Institutes and The Banff Centre:	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre for Continuing Education	
Universities:	Advanced Education and Technology
Athabasca University	
The University of Alberta	
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Tourism, Parks, Recreation and Culture

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	*Ministry Annual Report*
Alberta Foundation for Health Research	Advanced Education and Technology
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs and Housing
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Service Alberta
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Service Alberta
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs and Housing
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Employment, Immigration and Industry

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